

**MINUTES OF THE QUARTERLY
CREDIT UNION REVIEW BOARD MEETING
(REGULAR SESSION)
January 9, 2017
10:00 a.m.**

**200 East Grand Avenue, Suite #370
Des Moines, Iowa**

I. CALL TO ORDER & ROLL CALL

Chairperson, Becky Zemlicka called the Quarterly Credit Union Review Board meeting to order at 10:00 a.m., Monday, January 9, 2017.

Board members present: Scott Zahnle, Dave Cale, Janet Pepper, Becky Zemlicka

Attendance via teleconference: Timothy Marcsisak Jeffrey Hayes

Absent: Karyn Finn

Division personnel present: JoAnn Johnson, Superintendent, Jan Johnson, Executive Officer, Ann Mulcahy, Supervisory Examiner attended via telephone and Sara Larkin, Recording Secretary.

II. PRESENTATION OF MEMBERS OF THE PUBLIC IN ATTENDANCE

Erin O'Hern, Policy Works.

III. MINUTES OF THE PREVIOUS MEETING

MOTION made by Scott Zahnle to approve and accept the previous minutes of the January 9, 2017 meeting. SECOND by Janet Pepper MOTION CARRIED.

IV. REPORT OF THE SUPERINTENDENT

Superintendent Johnson reviewed the report with the Review Board regarding Division activities. It was mentioned that the quarter ended with 93 Credit Unions after one completed merger involving The Polk County Schools Employees Credit Union merged with Des Moines Police Officers Credit Union. There are no mergers pending and no spin-off applications have been received. There were 21 complaints received with 2 currently pending. There were 4 branch offices approved including one in Omaha, NE for Veridian Credit Union. The report was approved by general consent.

Supervisory Examiner, Ann Mulcahy reviewed the examination update with the Review Board. Ann announced that she is retiring on March 30, 2017. Ann and Superintendent Johnson are in the process of receiving applications for the Supervisory position and will be conducting interviews for her replacement with training in February and March. The three new examiners are in their training process and they are progressing well. It was announced that an "S" has

been added to the CAMEL risk rating system, to stand for the sensitivity component and interest rate risk. The CAMELS rating will now be disclosed in the report of examination, but not outside of the credit union. The Division has received positive feedback from the Credit Unions that were a part of the newly implemented flex program. Most exams are on a 12 month cycle, however with this flex program fully implemented this will allow for most exams to extend to an 18th month cycle and track reduced onsite presence and travel costs. There are currently 10 credit unions on monthly reporting in which these credit unions provide various reports to the Division.

V. UNFINISHED BUSINESS

- The proposed legislation that was submitted to the Governor's office reflects the following two items:
- Should the Superintendent find it necessary to call a meeting of the credit union board members not directly related to an examination, the Division's Assistant Attorney General has advised that the Division move this provision from the examination section in statute to a section calling for a meeting of the board.
- The Division has formalized a process of authorizing the delivery of confidential examination reports to an authorized third party. The completion of a confidentiality agreement by all parties is submitted to the Division for approval by the Superintendent. Upon approval of the confidentiality agreement, the requested examination is then sent directly to the third party by the Division to avoid any manipulation of the exam report and to ensure confidential delivery.

VI. NEW BUSINESS

- Superintendent Johnson mentioned the annual National Association of State Credit Union Supervisors (NASCUS) dues are sent annually. The Division was able to pay the annual NASCUS dues out of the last fiscal year. It is anticipated that the NASCUS dues will increase by 15% per year for the next 5 years. The Division currently pays around \$16,000 to NASCUS, however at the end of the 5 years; it will increase to around \$49,000. NASCUS is the only organization for State Regulators and is located in Arlington, VA.

VII. OPEN DISCUSSION

- Janet Pepper has a term expiration date of April 30, 2017. She plans to submit an application to the Governor's office for re-appointment.

NEXT MEETING DATE

The next meeting is scheduled for April 10, 2017, 10:00 a.m.

VIII. ADJOURNMENT OF OPEN SESSION

MOTION made by Janet Pepper to adjourn the meeting at 10:33 a.m. SECOND by Scott Zahnle MOTION CARRIED.